

Message Text

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PAGE 01 CARACA 01899 272129Z
ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 /023 W
-----054829 280312Z /75
R 272049Z FEB 78
FM AMEMBASSY CARACAS
TO USDOC WASHDC
INFO SECSTATE WASHDC 1347

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PASS TO OED/MEPD

E.O. 11652: NA
TAGS: BENC, VE
SUBJECT: MAJOR PROJECT: PUERTO LA CRUZ OLEFIN PLANT

REF: (A) 76 CARACAS A-116, (B) 77 CARACAS 1997, PAR 6
(C) 77 CARACAS 11976

1) AREVALO REYES, ? 88:3-MINISTER FOR HYDROCARBONS, MINISTRY
OF ENERGY AND MINES, WHO WILL ACCOMPANY MINISTER HERNANDEZ DURING
HIS VISIT TO WASHINGTON MARCH 6, INDICATED RECENTLY THAT:

A) MINISTRY WAS VERY INTERESTED IN ANY HELP USG COULD PROVIDE IN
AREA OF PETROCHEMICALS.

B) IN THIS CONTEXT HE MENTIONED A PROPOSED OLEFINS PLANT AT
PUERTO LA CRUZ WHICH HAD BEEN PLANNED WITH DOW CHEMICAL BUT IN WHICH
A FRENCH FIRM WAS NOW INTERESTED.

C) THERE WAS A NEED FOR ASSISTANCE IN MARKETING PETROCHEMICALS
IN THE U.S., PARTICULARLY FOR OLEFINS.

2. PLANT REFERRED TO BY REYES WAS CONTAINED IN VENEZUELA'S
1976-1981 PETROCHEMICAL PLAN (REF A). ESTIMATED COST WAS
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APPROXIMATELY \$750 MILLION AND IT WOULD HAVE PRODUCED
PRINCIPALLY ETHYLENE AND STYRENE. WE ARE UNSURE OF DOW'S
PAST OR PRESENT INTEREST BUT UNDERSTAND INDIRECTLY THAT DOW
WAS APPARENTLY UNWILLING OR UNABLE TO RECRUIT VENEZUELA FIRMS
TO PARTICIPATE IN THE PROJECT, AS PREFERRED BY THE GOV.

3. REYES AWARE THAT USG EXPERTISE AND ASSISTANCE WE COULD OFFER

IN PETROCHEMICAL AREA IS LIMITED. HOWEVER, ANY INFORMATION WHICH COMMERCE COULD MAKE AVAILABLE TO HIM ON CURRENT STATE OF U.S. PETROCHEMICAL INDUSTRY, AND US IMPORTS OF OLEFINS WOULD PRESUMABLY BE HELPFUL.

4. ON PUERTO LA CRUZ PLANT, OED/MEPD MAY WISH, IF APPROPRIATE, TO USE OCCASION OF REYES'S PRESENCE IN WASHINGTON TO OFFER TO ASSIST HIM IN CONTACTING US FIRMS WHICH MIGHT BE INTERESTED IN PARTICIPATING IN THE PROJECT (WE UNDERSTAND HE MAY TRAVEL TO NEW YORK AFTER WASHINGTON).

5. SUGGEST COMMERCE COORDINATE FOREGOING WITH STATE DESK OFFICER. CROWLEY

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NNN

Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition History: n/a
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Review Exemptions: n/a
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Subject: MAJOR PROJECT: PUERTO LA CRUZ OLEFIN PLANT
TAGS: BENC, VE
To: COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/68becdcc-c288-dd11-92da-001cc4696bcc
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